



98TH CONGRESS
1ST SESSION

H. R. 33

To transfer management of the national defense stockpile to the Secretary of Defense.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1983

Mr. BENNETT introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To transfer management of the national defense stockpile to the Secretary of Defense.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TRANSFER OF FUNCTIONS**

4 **SECTION 1.** (a) The functions, duties, and responsibil-
5 ities of the President under the Strategic and Critical Materi-
6 als Stock Piling Act (50 U.S.C. 98 et seq.) (other than under
7 section 13 of that Act) are hereby transferred to and vested
8 in the Secretary of Defense.

9 (b) The Strategic and Critical Materials Stock Piling
10 Act is amended by striking out "President" each place it

1 appears in such Act (other than in sections 4(a)(5), 4(a)(8),
2 12, and 13) and inserting in lieu thereof "Secretary of De-
3 fense".

4 **INCIDENTAL TRANSFERS**

5 **SEC. 2.** (a) So much of the personnel, property, records,
6 and unexpended balances of appropriations, allocations, and
7 other funds employed, used, held, available, or to be made
8 available in connection with the functions transferred to the
9 Secretary of Defense by this Act as the Director of the Office
10 of Management and Budget shall determine shall be trans-
11 ferred to the Department of Defense at such times as the
12 Director shall direct.

13 (b) Such further measures and dispositions as the Direc-
14 tor of the Office of Management and Budget considers neces-
15 sary in order to effectuate the transfers made under subsec-
16 tion (a) shall be carried out in such manner as the Director
17 shall direct.

18 (c) Any statutory or administrative ceiling on full-time
19 civilian employees of the Department of Defense shall be in-
20 creased by the number of full-time employees transferred to
21 the Department pursuant to this section.

22 **SAVINGS PROVISIONS**

23 **SEC. 3.** (a) All orders, determinations, rules, regula-
24 tions, permits, contracts, certificates, licenses, and privi-
25 leges—

1 (1) which have been issued, made, granted, or al-
2 lowed to become effective by the President, any Feder-
3 al department or agency or official thereof, by a court
4 of competent jurisdiction in the performance of func-
5 tions which are transferred under this Act to the Sec-
6 retary of Defense; and

7 (2) which are in effect at the time this Act takes
8 effect,

9 shall continue in effect according to their terms until modi-
10 fied, terminated, superseded, set aside, or revoked in accord-
11 ance with law by the President, the Secretary of Defense or
12 other authorized official, a court of competent jurisdiction, or
13 by operation of law.

14 (b) Except as provided in subsection (d)—

15 (1) the provisions of this Act shall not affect suits
16 commenced before the date this Act takes effect; and

17 (2) in all such suits proceedings shall be had, ap-
18 peals taken, and judgments rendered in the same
19 manner and effect as if this Act had not been enacted.

20 (c) No suit, cause of action, or other proceeding by or
21 against any department or agency, or by or against any offi-
22 cer thereof in his official capacity, shall abate by reason of
23 the enactment of this Act.

24 (d) If, before the date on which this Act takes effect, any
25 department or agency, or officer thereof in his official capac-

1 ity, is a party to a suit, and under this Act any function of
2 such department, agency, or officer is transferred to the Sec-
3 retary of Defense, then such suit shall be continued with the
4 Secretary of Defense substituted.

5 REFERENCES TO FEDERAL EMERGENCY MANAGEMENT

6 AGENCY AND GENERAL SERVICES ADMINISTRATION

7 SEC. 4. Any reference to the Federal Emergency Man-
8 agement Agency or the General Services Administration, or
9 to the Director of the Federal Emergency Management
10 Agency or the Administrator of General Services, in any law,
11 rule, regulation, certificate, directive, instruction, or other of-
12 ficial paper in effect after the effective date of this Act with
13 respect to functions transferred by this Act shall be deemed
14 to be a reference to the Department of Defense or to the
15 Secretary of Defense, respectively.

16 EFFECTIVE DATE

17 SEC. 5. This Act, and the amendments made by this
18 Act, shall take effect at the end of the one-hundred-and-
19 twenty-day period beginning on the date of the enactment of
20 this Act or on such earlier date as the President prescribes
21 and publishes in the Federal Register.

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98TH CONGRESS
1ST SESSION

H. R. 13

To amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1983

Mr. McKINNEY introduced the following bill; which was referred jointly to the Committees on Banking, Finance and Urban Affairs and Education and Labor

A BILL

To amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SHORT TITLE**

4 **SECTION 1.** This Act may be cited as the "Defense In-
5 dustrial Base Revitalization Act".

6 **STRENGTHENING OF DOMESTIC CAPABILITY**

7 **SEC. 2.** Title III of the Defense Production Act of 1950
8 (50 U.S.C. App. 2091 et seq.) is amended by inserting after
9 section 303 the following:

1 “SEC. 303A. (a) It is the purpose of this section to
2 strengthen the domestic capability and capacity of the Na-
3 tion’s defense industrial base. The actions specified in this
4 section are intended to facilitate the carrying out of such pur-
5 pose.

6 “(b)(1) The President, utilizing the types of financial as-
7 sistance specified in sections 301, 302, and 303, and any
8 other authority contained in this Act, shall take immediate
9 action to assist in the modernization of industries in the
10 United States which are necessary to the manufacture or
11 supply of national defense materials which are required for
12 the national security or are likely to be required in a time of
13 emergency or war.

14 “(2) Such assistance shall be provided only to small- and
15 medium-sized businesses, as defined by the Secretary of
16 Commerce, unless the President transmits to the Congress a
17 formal notification that the interests of national defense re-
18 quire an exception to this limitation.

19 “(c) The Secretary of Defense, in consultation with the
20 Secretary of Commerce, shall—

21 “(1) determine immediately, and semiannually
22 thereafter, those industries which should be given pri-
23 ority in the awarding of financial assistance under sub-
24 section (b);

1 “(2) determine the type and extent of financial as-
2 sistance which should be made available to each such
3 industry; and

4 “(3) with respect to the industries specified pursu-
5 ant to paragraph (1), indicate those proposals, received
6 under subsection (e), which should be given preference
7 in the awarding of financial assistance under subsection
8 (b) based on a determination that such proposals offer
9 the greatest prospect for improving productivity and
10 quality, and for providing materials which will reduce
11 the Nation’s reliance on imports.

12 “(d)(1) The President shall extend assistance under sec-
13 tions 301, 302, and 303, and any other authority contained
14 in this Act, to persons engaged in the expansion of the do-
15 mestic capability and capacity to produce or process critical
16 and strategic metals, minerals, and materials including—

17 “(A) the conservation, substitution, and recycling
18 of such metals, minerals, and materials; and

19 “(B) the development of processes which lessen or
20 obviate the need for such critical and strategic metals,
21 minerals, and materials.

22 “(2) The President shall exercise the authority granted
23 under this subsection in consultation with the Secretary of
24 Defense, the Secretary of the Interior, the Secretary of Com-

1 merce, and the Director of the Federal Emergency Manage-
2 ment Agency.

3 “(e) The President, in extending assistance under sub-
4 sections (b) and (d), shall extend such assistance on the basis
5 of proposals submitted in response to a series of public solici-
6 tations, the first of which shall be issued by the President
7 within ninety calendar days following the date of the enact-
8 ment of this section.

9 “(f)(1) Any contract for financial assistance which is
10 awarded under subsection (b) or (d) and which utilizes finan-
11 cial assistance through purchase agreements specified in sec-
12 tion 303 shall provide that the President has the right to
13 refuse delivery of the items specified in such contract and to
14 pay the person involved an amount equal to the amount by
15 which the price for such items, as specified in the contract
16 involved, exceeds the market price, as determined by the
17 Secretary of Commerce, for such items on the delivery date
18 specified in such contract.

19 “(2) Financial assistance under subsection (b) or (d) shall
20 not be extended to assist establishments relocating from one
21 area to another or to assist persons whose purpose is to
22 divest, or whose economic success is dependent upon divest-
23 ing, other persons of contracts theretofore customarily per-
24 formed by them, except that such limitation shall not be con-
25 strued to prohibit such financial assistance for the expansion

1 of an existing business entity through the establishment of a
2 new branch, affiliate, or subsidiary of such business entity if
3 the President finds that the establishment of such branch,
4 affiliate, or subsidiary will not result in an increase in unem-
5 ployment of the area of original location or in any other area
6 where such entity conducts business operations, unless the
7 President has reason to believe that such branch, affiliate, or
8 subsidiary is being established with the intention of closing
9 down the operations of the existing business entity in the
10 area of its original location or in any other area where it
11 conducts such operations.

12 “(g)(1) There are authorized to be appropriated to carry
13 out the provisions of subsections (b), (c), and (d) not to exceed
14 \$1,000,000,000 for each fiscal year beginning with fiscal
15 year 1984 and continuing through fiscal year 1988. Such
16 sums shall remain available until expended.

17 “(2)(A) In the use of loan guarantees, price guarantees,
18 and direct loans as Federal financial incentives to accomplish
19 the objectives of this section, the President may utilize the
20 borrowing authority of the Treasury to the extent that the
21 estimated ultimate net cost of such incentives to the Govern-
22 ment does not exceed the total of appropriations made by the
23 Congress to carry out the provisions of subsections (b), (c),
24 and (d). Such estimates shall be based upon the past experi-

1 ence of the actual costs of Federal financial incentives under
2 this Act and related expenses.

3 “(B) The use of loan guarantees, price guarantees, and
4 direct loans under this section and the use of the borrowing
5 authority of the Treasury under this subsection shall be effec-
6 tive for any fiscal year only to such extent or in such amounts
7 as are provided in advance in appropriations Acts.

8 “(h)(1) The President shall take immediate action to de-
9 velop and implement a national program to train workers in
10 skills—

11 “(A) which the President determines are neces-
12 sary in the industries identified under subsection (b),
13 (c), or (d); and

14 “(B) which the President determines are in short
15 supply or are anticipated to be in short supply.

16 “(2)(A) Assistance under this program shall be in the
17 form of a grant to a State board of vocational education or
18 other agency or agencies designated by the Governor of the
19 State involved. Such grants may be extended only if a State
20 plan for a five-year program of skills training has been sub-
21 mitted to the President and approved by the President.

22 “(B) The President may, to the extent possible—

23 “(i) provide assistance in coordinating the State
24 plans developed under this subsection; and

1 “(ii) provide technical assistance and support serv-
2 ices in the implementation and conduct of programs of
3 skills training which are carried out under this sub-
4 section.

5 “(3) The President shall not approve any State plan
6 unless—

7 “(A) the State plan has been developed with the
8 management and workers of the industries involved
9 and with public and private educational institutions of
10 the State;

11 “(B) the State plan includes workplace training
12 and registered apprenticeship training programs;

13 “(C) the State plan is designed to ensure mean-
14 ingful opportunities for participation by minorities and
15 women;

16 “(D) the Governor of the State has certified in
17 writing that the State plan will be carried out and that
18 it meets the requirements of this subsection;

19 “(E) the State plan includes—

20 “(i) training;

21 “(ii) upgrading skills; and

22 “(iii) retraining of workers, in depressed in-
23 dustries, in surplus labor areas, or with occupa-
24 tional skills which might become obsolete because
25 of industrial modernization or technological ad-

1 vancement, in skills which the President deter-
2 mines under paragraph (1) are necessary in the
3 industries identified under subsection (b), (c), or (d)
4 as necessary to the manufacture or supply of na-
5 tional defense materials which are required for the
6 national security or are likely to be required in a
7 time of emergency or war;

8 “(F) any bona fide public or private training pro-
9 gram engaged in training workers in skills described in
10 paragraph (1) is considered eligible to deliver such
11 training services upon written application to the State
12 board of vocational education or other agency or agen-
13 cies designated by the Governor of the State involved
14 under paragraph (2)(A);

15 “(G) the State employment and training council
16 under Public Law 95-524 (or a comparable entity
17 under a successor statute) has been given the oppor-
18 tunity—

19 “(i) to participate in the development of the
20 plan;

21 “(ii) to review the plan for thirty days prior
22 to its submission to the President; and

23 “(iii) to submit written comments along with
24 the submission of the plan to the President;

1 “(H) the activities funded under this subsection
2 will not duplicate facilities or services available in the
3 area (with or without reimbursement) from Federal,
4 State, or local sources, unless the plan provides evi-
5 dence that alternative services or facilities would be
6 more effective or more likely to achieve the objectives
7 in paragraph (1) of this subsection;

8 “(I) the plan contains assurances that the activi-
9 ties funded under this subsection will be coordinated to
10 the maximum extent feasible with other employment-
11 related programs in the State, through joint agree-
12 ments, where practicable, with programs funded under
13 the Comprehensive Employment and Training Act (or
14 a successor statute) to assure maximum participation of
15 eligible participants under that Act (or statute) in train-
16 ing programs funded under this subsection, and through
17 consultation and coordination with certified apprentice-
18 ship plans, where such plans are in effect, to ensure
19 that the plan does not duplicate or undermine existing
20 certified apprenticeship programs; and

21 “(J) a certification is included which assures the
22 following labor training standards and requirements
23 will be met:

24 “(i) Conditions of training shall be appropri-
25 ate and reasonable in the light of such factors as

1 the type of work, geographical region, and profi-
2 ciency of the participant.

3 “(ii) Appropriate health, safety, and other
4 standards for training shall be established and
5 maintained.

6 “(iii) Appropriate workers’ compensation or
7 equivalent protection shall be provided to all
8 participants.

9 “(iv) No currently employed worker shall be
10 displaced by any participant (including partial dis-
11 placement such as a reduction in the hours of
12 nonovertime work, wages, or employment bene-
13 fits).

14 “(v) No program shall impair existing con-
15 tracts of employment.

16 “(vi) No person shall be trained for a job (I)
17 when any other employee in the same workplace
18 or plant is on layoff from the same or any sub-
19 stantially equivalent job, or (II) when the employ-
20 er has terminated the employment of any regular
21 employee or otherwise reduced its workforce with
22 the intention of filling the vacancy so created by
23 hiring a participant whose training is assisted
24 under this subsection.

1 “(vii) No individual may be required to join a
2 union as a condition of enrolling in a program as-
3 sisted under this subsection in which only institu-
4 tional training is provided, unless such institution-
5 al training involves individuals employed under a
6 collective-bargaining agreement which contains a
7 union security provision.

8 “(viii) No funds available under this subsec-
9 tion may be used to assist, promote, or deter
10 union organizing.

11 “(4) Any grant to a State board of vocational education,
12 or other agency or agencies designated by the Governor of
13 the State involved under paragraph (2)(A), under this subsec-
14 tion shall be extended in any year only after the State in-
15 volved has provided a contribution, from public or private
16 resources, to carry out the State plan in an amount—

17 “(A) in the first year of the State plan, equal to
18 10 per centum of the cost of the State plan for such
19 year;

20 “(B) in the second year of the State plan, equal to
21 20 per centum of the cost of the State plan for such
22 year;

23 “(C) in the third year of the State plan, equal to
24 30 per centum of the cost of the State plan for such
25 year;

1 “(D) in the fourth year of the State plan, equal to
2 40 per centum of the cost of the State plan for such
3 year; and

4 “(E) in the fifth year of the State plan, equal to
5 50 per centum of the cost of the State plan for such
6 year.

7 “(5) A State’s contribution may include ‘in kind’ contri-
8 butions of equipment, facilities, personnel, or services to the
9 extent that such ‘in kind’ contribution is utilized in carrying
10 out the State’s plan. No such ‘in kind’ contribution may in-
11 clude equipment acquired under subsection (i).

12 “(6) The President shall act upon each State plan not
13 later than ninety days after the date on which such State
14 plan is received. Such action shall be based upon the recom-
15 mendations of the Secretary of Defense, the Secretary of
16 Labor, and the Secretary of Education.

17 “(7) No person shall be excluded from participation in,
18 denied the benefits of, subjected to discrimination under, or
19 denied training in the administration of or in connection with
20 any such program because of race, color, religion, sex, na-
21 tional origin, age, handicap, or political affiliation or belief.

22 “(8) Not more than 5 per centum of the amount of any
23 grant made under this subsection may be used by a State
24 board of vocational education, or other agency or agencies
25 designated by the Governor of the State involved under para-

1 graph (2)(A), for administrative expenses incurred in carrying
2 out a State plan.

3 “(9) Assistance under this subsection may be used to
4 purchase and install equipment for training purposes. The
5 purchase of any such equipment shall be done by means of
6 competitive bidding.

7 “(10) For purposes of installing Government-owned
8 equipment pursuant to section 303(e), the term ‘industrial
9 facilities’, as used in such section, shall include vocational
10 schools, other schools offering technical and vocational train-
11 ing programs, and any other location in which workers are
12 trained pursuant to this subsection.

13 “(11) There are authorized to be appropriated to carry
14 out the provisions of this subsection not to exceed
15 \$250,000,000 for each fiscal year beginning with fiscal year
16 1984 and continuing through fiscal year 1988. Such sums
17 shall remain available until expended.

18 “(i)(1)(A) The President shall take immediate action to
19 develop and implement a grant program to assist colleges,
20 universities, and other institutions of higher education in ob-
21 taining and installing modern equipment which shall be used
22 to train professional, scientific, and technical personnel who
23 are needed in the industries identified under subsection (b),
24 (c), or (d).

1 “(B) All students and faculty studying, teaching, or con-
2 ducting research at such an institution of higher education
3 shall have access to such equipment for use in accordance
4 with regulations and practices of such institution of higher
5 education.

6 “(2) Any college, university, or other institution of
7 higher education which desires to receive a grant under this
8 subsection may submit an application to such Federal depart-
9 ment or agency as the President shall designate. Each such
10 application shall—

11 “(A) certify the cost of purchasing and installing
12 the equipment involved; and

13 “(B) contain such other information as the Presi-
14 dent deems necessary.

15 “(3)(A) Each college, university, or other institution of
16 higher education whose application is approved under this
17 subsection may be required to provide a matching share of up
18 to 50 per centum of the cost of purchasing and installing the
19 equipment involved.

20 “(B) The purchase of any such equipment shall be done
21 by means of competitive bidding.

22 “(4) At the discretion of the President, equipment may
23 be provided under section 303(e) to colleges, universities, and
24 other institutions of higher education. For the purpose of

1 such section, the term 'industrial facilities' shall include col-
2 leges, universities, and other institutions of higher education.

3 “(5) There are authorized to be appropriated to carry
4 out the provisions of this subsection not to exceed
5 \$100,000,000 for each fiscal year beginning with fiscal year
6 1984 and continuing through fiscal year 1988. Such sums
7 shall remain available until expended.

8 “(j) Any equipment or plant financed through Federal
9 assistance authorized by this section shall be of United States
10 origin. No exception shall be made to this limitation unless
11 the Secretary of Commerce makes a written determination
12 that such equipment or plant of United States origin is not
13 available and is not practicable to obtain.

14 “(k) The Comptroller General of the United States shall
15 monitor the implementation of this section, conduct such
16 audits as he determines to be necessary, and submit an
17 annual report of his findings to the Congress at the beginning
18 of each session of the Congress. The first such annual report
19 shall be submitted in the year following the enactment of the
20 Defense Industrial Base Revitalization Act.

21 “(l) In order to carry out the purposes of this section,
22 the Office of Technology Assessment is directed to conduct a
23 study of the public facilities or infrastructure essential to the
24 defense industrial base, and, at the beginning of each Con-
25 gress, to report to the Congress with appropriate recommen-

1 dations for measures to avoid serious impediments to the pro-
2 duction and distribution of materiel.

3 “(m)(1) All laborers and mechanics employed for the
4 construction, repair, or alteration of any project, or the in-
5 stallation of equipment, funded, in whole or in part, by a
6 guarantee, loan, or grant entered into pursuant to this section
7 shall be paid wages at rates not less than those prevailing on
8 projects of similar character in the locality as determined by
9 the Secretary of Labor in accordance with the Act entitled
10 ‘An Act relating to the rate of wages for laborers and me-
11 chanics employed on public buildings of the United States
12 and the District of Columbia by contractors and subcontrac-
13 tors, and for other purposes’, approved March 3, 1931 (40
14 U.S.C. 276a et seq.), and commonly known as the Davis-
15 Bacon Act.

16 “(2) Guaranteeing agencies shall not extend guarantees
17 and the President shall not make loans or grants for the con-
18 struction, repair, or alteration of any project, or the installa-
19 tion of equipment, unless a certification is provided to the
20 agency or the President, as the case may be, prior to the
21 commencement of construction or at the time of filing an ap-
22 plication for loan, guarantee, or grant, if construction has al-
23 ready commenced, that these labor standards will be main-
24 tained at the project.

1 “(3) With respect to the labor standards specified in this
2 subsection, the Secretary of Labor shall have the authority
3 and functions set forth in Reorganization Plan Numbered 14
4 of 1950 and section 276(c) of title 40, United States Code.

5 “(n) On October 1, 1983, and on the first business day
6 of every second month beginning after such date, the Presi-
7 dent shall transmit a report to both Houses of the Congress
8 listing all loans, loan guarantees, and commitments for loan
9 guarantees which were issued under this section during the
10 two calendar months preceding the transmittal date of the
11 report involved.

12 “(o) For purposes of this section—

13 “(1) the term ‘apprenticeship plan’ means a plan
14 approved by the Secretary of Labor pursuant to the
15 National Apprenticeship Act (29 U.S.C. 50 et seq.);

16 “(2) the term ‘State’ means any of the several
17 States, the District of Columbia, the Commonwealth of
18 Puerto Rico, Guam, the Virgin Islands, the Northern
19 Mariana Islands, American Samoa, the Trust Territory
20 of the Pacific Islands, or any other territory or posses-
21 sion of the United States; and

22 “(3) the term ‘United States’ means the several
23 States, the District of Columbia, the Commonwealth of
24 Puerto Rico, Guam, the Virgin Islands, the Northern
25 Mariana Islands, American Samoa, the Trust Territory

1 of the Pacific Islands, and any other territory or pos-
2 session of the United States.”.

3 AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950

4 SEC. 3. (a) Section 2 of the Defense Production Act of
5 1950 (50 U.S.C. App. 2062) is amended to read as follows:

6 “DECLARATION OF POLICY

7 “SEC. 2. (a)(1) In view of continuing international prob-
8 lems, the Nation’s demonstrated reliance on imports of mate-
9 rials and components, and the need for measures to reduce
10 defense production lead times and bottlenecks, and in order
11 to provide for the national defense and national security, our
12 defense mobilization preparedness effort continues to require
13 the development of preparedness programs, defense industrial
14 base improvement measures, and the expansion of domestic
15 productive capacity and supply beyond the levels needed to
16 meet the civilian demand. Also required is some diversion of
17 certain materials and facilities from civilian use to military
18 and related purposes.

19 “(2) These activities are needed in order to improve de-
20 fense industrial base efficiency and responsiveness, to reduce
21 the time required for industrial mobilization in the event of an
22 attack on the United States or to respond to actions occur-
23 ring outside the United States which could result in the ter-
24 mination or reduction of the availability of strategic and criti-
25 cal materials, including energy, and which could adversely

1 affect the national defense preparedness of the United States.
2 In order to insure the national defense preparedness which is
3 essential to national security, it is also necessary and appro-
4 priate to assure the availability of domestic energy supplies
5 for national defense needs.

6 “(b)(1) In order to insure productive capacity in the
7 event of an attack on the United States, it is the policy of the
8 Congress to encourage the geographical dispersal of the in-
9 dustrial facilities of the United States in the interest of the
10 national defense, and to discourage the concentration of such
11 productive facilities within limited geographical areas which
12 are vulnerable to attack by an enemy of the United States.

13 “(2) In the construction of any Government-owned in-
14 dustrial facility, in the rendition of any Government financial
15 assistance for the construction, expansion, or improvement of
16 any industrial facility, and in the production of goods and
17 services, under this or any other Act, each department and
18 agency of the executive branch shall apply, under the coordi-
19 nation of the Office of Defense Mobilization, when practicable
20 and consistent with existing law and the desirability for main-
21 taining a sound economy, the principle of the geographical
22 dispersal of such facilities in the interest of national defense.
23 However, nothing in this paragraph shall preclude the use of
24 existing industrial facilities.

1 “(3) To ensure the adequacy of productive capacity and
2 supply, executive agencies and departments responsible for
3 defense acquisition shall continuously assess the capability of
4 the defense industrial base to satisfy near-term requirements
5 as well as increased mobilization production requirements.
6 Such assessments shall specifically evaluate the availability
7 of adequate production sources, including subcontractors and
8 suppliers, materials, and skilled labor, and professional and
9 technical personnel.

10 “(4) It is the policy of the Congress that plans and pro-
11 grams to carry out this declaration of policy shall be under-
12 taken with due consideration for promoting efficiency and
13 competition.”.

14 (b) Section 301 of the Defense Production Act of 1950
15 (50 U.S.C. App. 2091) is amended—

16 (1) in subsection (e)(1)(A), by striking out
17 “\$38,000,000” and inserting in lieu thereof
18 “\$50,000,000”; and

19 (2) in subsection (e)(1)(B)—

20 (A) by striking out “60 days” and inserting
21 in lieu thereof “30 days”;

22 (B) by striking out “60-day period” each
23 place it appears therein and inserting in lieu
24 thereof “30-day period”;

1 (C) by inserting "(i)" after "such proposed
2 obligation and"; and

3 (D) by striking out the period at the end of
4 the first sentence thereof and inserting in lieu
5 thereof the following: "or (ii) both Houses of Con-
6 gress adopt a concurrent resolution approving
7 such obligation. If the Congress adopts such a
8 concurrent resolution, the guarantee involved may
9 be made at any time after the date on which such
10 concurrent resolution is adopted."

11 (c) Section 302 of the Defense Production Act of 1950
12 (50 U.S.C. App. 2092) is amended—

13 (1) by striking out "60 days" and inserting in lieu
14 thereof "30 days";

15 (2) by striking out "60-day period" each place it
16 appears therein and inserting in lieu thereof "30-day
17 period"; and

18 (3) in the second sentence thereof—

19 (A) by inserting "(A)" after "such proposed
20 loan and"; and

21 (B) by striking out the period at the end
22 thereof and inserting in lieu thereof the following:
23 "or (B) both Houses of Congress adopt a concur-
24 rent resolution approving such loan. If the Con-
25 gress adopts such a concurrent resolution, the

1 loan involved may be made at any time after the
2 date on which such concurrent resolution is adopt-
3 ed.”.

4 (d) The first sentence of section 717(a) of the Defense
5 Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended
6 by striking out “March 31, 1983” and inserting in lieu there-
7 of “September 30, 1988”.

8 (e) Section 720 of the Defense Production Act of 1950
9 (50 U.S.C. App. 2169) is hereby repealed.

10 (f) Section 701 of the Defense Production Act of 1950
11 (50 U.S.C. App. 2151) is amended by adding at the end
12 thereof the following:

13 “(e)(1)(A)(i) Any person signing a contract which in-
14 volves the sale of any defense article or defense service for
15 use by a nation other than the United States and which in-
16 cludes an offset agreement in excess of \$5,000,000 shall file
17 an annual report with the Secretary of the Treasury. Each
18 such report shall include the total of all offsets, classified by
19 the category of the defense material or defense services in-
20 volved, entered into by such person during the three calendar
21 years preceding the year in which such report is filed. The
22 first such annual report shall be filed with the Secretary of
23 the Treasury not later than June 1, 1983. Subsequent annual
24 reports shall be filed not later than June 1 of each year.

1 “(ii) Except as provided in subparagraph (B) and not-
2 withstanding any other provision of law, including section
3 552 of title 5, United States Code (commonly known as the
4 Freedom of Information Act), the Secretary of the Treasury
5 shall not disclose, except to the Congress, any information
6 required to be reported pursuant to this subparagraph.

7 “(B) Not later than the first October 1 occurring more
8 than ninety days after the date of the enactment of this sub-
9 section and not later than each October 1 occurring after
10 such October 1, the Secretary of the Treasury shall submit to
11 the Committee on Banking, Housing, and Urban Affairs of
12 the Senate and to the Committee on Banking, Finance and
13 Urban Affairs of the House of Representatives a report on
14 the total number of contracts reported pursuant to subpara-
15 graph (A) and the total amount of offsets required by such
16 contracts. Such report shall contain a breakdown of offsets by
17 category of defense material or defense services involved and
18 by recipient country.

19 “(2) For purposes of this subsection—

20 “(A) the term ‘offset’ means any international
21 transaction between a buyer and seller that provides
22 nonmonetary compensation which may include, but not
23 be limited to, the transfer of production or technology
24 to the buyer as a consideration for the purchase of a
25 particular item or service; and

24

1 “(B) the term ‘person’ means any individual, sole
2 proprietorship, partnership, or corporation.

3 “(3) This subsection shall cease to be effective five years
4 after the date of the enactment of this subsection.”.

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